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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
COOPERSTOWN MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1200 ROBERTS AVENUE NE

City or town, state or country, and ZIP + 4
COOPERSTOWN, ND 58425

D Employer identification number
45-0227753

E Telephone number
(701)797-2221

G Gross receipts $ 5,432,941

F Name and address of principal officer
KENNETH SMITH
1200 ROBERTS AVENUE NE
COOPERSTOWN, ND 58425

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW COOPERMC COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1946 | **M** State of legal domicile ND

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVIDE HEALTH CARE SERVICES TO THE RESIDENTS INCLUDING THE ELDERLY IN THE COOPERSTOWN, NORTH DAKOTA AND SURROUNDING COMMUNITIES REGARDLESS OF THE ABILITY TO PAY

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	6
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	6
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	176
6	Total number of volunteers (estimate if necessary)	**6**	67
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	57,617	526,994
9	Program service revenue (Part VIII, line 2g)	7,049,817	4,479,369
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	513	3,456
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	16,623	622
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7,124,570	5,010,441
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	5,360,617	3,031,657
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	2,584,522	1,957,221
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	7,945,139	4,988,878
19	Revenue less expenses Subtract line 18 from line 12	-820,569	21,563

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	2,846,852	2,575,433
21	Total liabilities (Part X, line 26)	4,414,656	4,121,674
22	Net assets or fund balances Subtract line 21 from line 20	-1,567,804	-1,546,241

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

****** | 2013-05-15
Signature of officer | Date

KENNETH SMITH CHIEF FINANCIAL OFFICER
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ KRISTEN HAGER CPA	Date 2013-05-15	Check if self-employed ▶ ☐	Preparer's taxpayer identification number (see instructions) P01359220
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ WIPFLI LLP 7601 FRANCE AVENUE SOUTH SUITE 400 MINNEAPOLIS, MN 55435			EIN ▶ 39-0758449 Phone no ▶ (952) 548-3400

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission

COOPERSTOWN MEDICAL CENTER IS DEDICATED TO PROVIDING HIGH QUALITY HEALTHCARE SERVICES IN A PERSONALIZED, COMPASSIONATE, AND PROFESSIONAL MANNER

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 4,297,884 including grants of $) (Revenue $ 4,290,744)

AN 18-BED CRITICAL ACCESS HOSPITAL IS PRIVATELY LOCATED ON THE SECOND FLOOR OF THE FACILITY HELPING TO RELIEVE THE ADDED STRESS OF EXTENDED TRAVEL, THE ORGANIZATION IS ABLE TO PROVIDE LOCALLY MANY OF THE SERVICES FOUND AT LARGE HOSPITALS THROUGH STRONG AFFILIATIONS WITH MAJOR MEDICAL ORGANIZATIONS, COOPERSTOWN MEDICAL CENTER IS ABLE TO PROVIDE 24-HOUR EMERGENCY SERVICES, OCCUPATIONAL THERAPY, X-RAY AND LABORATORY SERVICES, ELECTROCARDIOGRAPHY, RESPIRATORY THERAPY, INCONTINENCE MANAGEMENT, THERAPY, PHYSICAL THERAPY, SPEECH THERAPY, CARDIAC MONITORING/TELEMETRY, CHEMOTHERAPY, SWING BED, AND HOSPICE CARE THE HOSPITAL HAD 1,460 TOTAL INPATIENT DAYS

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 4,297,884

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9	Yes	
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . .

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	20		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	176			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	6		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	6		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a		No
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

KEN SMITH
1200 ROBERTS AVE NE
COOPERSTOWN, ND 58425
(701) 797-2221

Part VII Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII . . . . . .☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ROB RESSLER DIRECTOR	1 00	X						0	0	0
(2) JONATHAN ERICKSON DIRECTOR	1 00	X						0	0	0
(3) LYNN JOHNSON DIRECTOR	1 00	X						0	0	0
(4) JAYNE OTT SECRETARY	1 00	X		X				0	0	0
(5) DONNA EVERS TREASURER	1 00	X		X				0	0	0
(6) BARRY GETZ CHAIRMAN	1 00	X		X				0	0	0
(7) GREGORY STOMP CEO	24 00			X				63,234	0	6,335
(8) KENNETH SMITH CFO	40 00			X				63,152	0	4,475
(9) BRIAN TWETE NURSE PRACTITIONER	32 00					X		188,873	0	10,708
(10) NORMAN BERTHIAUME NURSE PRACTITIONER	32 00					X		126,843	0	3,835
(11) KEVIN JACOBSON NURSE PRACTITIONER	32 00					X		166,104	0	6,200
(12) JEFFREY PETERSON MD	32 00					X		195,682	0	4,475

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								803,888	0	36,028

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 4

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 0

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	248,824			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	278,170			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		526,994			
Program Service Revenue			Business Code				
	2a	NET PATIENT & RES REV	623000	4,090,522	4,090,522		
	b	ASSISTED LIVING RENTAL	623000	176,937	176,937		
	c	CONTRACT REVENUE	623000	151,335	151,335		
	d	OPERATING SUBSIDY	623000	47,578	47,578		
	e	LIFELINE REVENUE	623000	12,997	12,997		
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		4,479,369			
	3	Investment income (including dividends, interest and other similar amounts)		215			215
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	422,500				
	b	Less rental expenses	422,500				
	c	Rental income or (loss)	0				
	d	Net rental income or (loss)		0			
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		3,241			
	b	Less cost or other basis and sales expenses		0			
	c	Gain or (loss)		3,241			
	d	Net gain or (loss)			3,241		3,241
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	OTHER REVENUE	900099	622			622
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		622			
	12	**Total revenue.** See Instructions		5,010,441	4,479,369	0	4,078

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	100,177	89,219	10,958	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	2,335,096	2,074,425	260,671	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	32,612	28,971	3,641	
9	Other employee benefits	403,040	358,048	44,992	
10	Payroll taxes	160,732	137,331	23,401	
11	Fees for services (non-employees)				
a	Management				
b	Legal				
c	Accounting	44,621		44,621	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	632,565	482,917	149,648	
12	Advertising and promotion	7,998	1,306	6,692	
13	Office expenses	205,926	151,449	54,477	
14	Information technology				
15	Royalties . .				
16	Occupancy	216,982	179,235	37,747	
17	Travel	16,599	13,287	3,312	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	8,775	7,800	975	
20	Interest	68,471	56,560	11,911	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	155,178	128,183	26,995	
23	Insurance	53,139	43,895	9,244	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	CARE SUPPORT SUPPLIES	361,480	361,480		
b	PROVISION FOR BAD DEBT	159,378	159,378		
c	TAXES AND LICENSES	1,709		1,709	
d					
e					
f	All other expenses	24,400	24,400		
25	**Total functional expenses.** Add lines 1 through 24f	4,988,878	4,297,884	690,994	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		200	1	200
	2	Savings and temporary cash investments		126,966	2	15,568
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		879,870	4	820,841
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		105,523	8	67,689
	9	Prepaid expenses and deferred charges		54,897	9	60,692
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 8,060,843			
	b	Less accumulated depreciation	10b 6,471,920	1,656,290	10c	1,588,923
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		23,106	15	21,520
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		2,846,852	16	2,575,433
Liabilities	17	Accounts payable and accrued expenses		1,216,872	17	1,344,064
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		1,514,460	20	1,436,265
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		15,397	21	13,600
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		328,059	22	402,140
	23	Secured mortgages and notes payable to unrelated third parties		650,029	23	590,300
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		689,839	25	335,305
	26	**Total liabilities.** Add lines 17 through 25		4,414,656	26	4,121,674
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		-1,567,804	27	-1,591,059
	28	Temporarily restricted net assets			28	44,818
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		-1,567,804	33	-1,546,241
	34	Total liabilities and net assets/fund balances		2,846,852	34	2,575,433

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☐

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	5,010,441
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,988,878
3	Revenue less expenses Subtract line 2 from line 1	3	21,563
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	-1,567,804
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	-1,546,241

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☑

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

_____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b **33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

Part III **Support Schedule for Organizations Described in IRC 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization	Employer identification number
COOPERSTOWN MEDICAL CENTER	45-0227753

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		73
j	Total lines 1c through 1i			73
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	THE ORGANIZATION IS A MEMBER OF NORTH DAKOTA LONG TERM CARE ASSOCIATION (NDLTCA) A PORTION OF THE ORGANIZATION'S DUES ARE FOR LOBBYING ACTIVITIES BY NDLTCA

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure) ☐ Preservation of an historically importantly land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☑ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☑ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Term endowment ▶

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		133,277		133,277
b Buildings		6,133,217	5,180,440	952,777
c Leasehold improvements				
d Equipment		1,687,562	1,291,480	396,082
e Other		106,787		106,787
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				1,588,923

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
CAPITAL LEASE OBLIGATIONS	44,305
DUE TO THIRD PARTY REIMBURSEMENT PROGRAMS	291,000
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	335,305

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	5,010,441
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	4,988,878
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	21,563
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	21,563

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	5,432,941
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	5,432,941
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	-422,500		
c	Add lines **4a** and **4b**			4c	-422,500
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	5,010,441

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	5,411,378
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d	422,500		
e	Add lines **2a** through **2d**			2e	422,500
3	Subtract line **2e** from line **1**			3	4,988,878
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	4,988,878

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
	PART IV, LINE 2B	THE ORGANIZATION HOLDS FUNDS IN TRUST FOR RESIDENTS
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	IN ORDER TO ACCOUNT FOR ANY UNCERTAIN TAX POSITIONS, ASC TOPIC 740-10, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, REQUIRES AN ORGANIZATION TO ASSESS WHETHER IT IS MORE LIKELY THAN NOT THAT A TAX POSITION WILL BE SUSTAINED UPON EXAMINATION OF THE TECHNICAL MERITS OF THE POSITION, ASSUMING THE TAXING AUTHORITY HAS FULL KNOWLEDGE OF ALL INFORMATION IF THE TAX POSITION DOES NOT MEET THE MORE-LIKELY-THAN-NOT RECOGNITION THRESHOLD, THE BENEFIT OF THE TAX POSITION IS NOT RECOGNIZED IN THE FINANCIAL STATEMENTS MANAGEMENT DOES NOT BELIEVE THE ORGANIZATION HAS ANY MATERIAL UNCERTAIN TAX POSITIONS OR UNRECOGNIZED TAX BENEFITS FEDERAL AND STATE RETURNS FOR TAX YEARS 2008 AND SUBEQUENT YEARS REMAIN SUBJECT TO EXAMINATION BY MAJOR TAX JURISDICTIONS
PART XII, LINE 4B - OTHER ADJUSTMENTS		RENTAL EXPENSES -422,500
PART XIII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSES 422,500

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☑ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☑ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a		No
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit reportduring the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			21,432	0	21,432	0 440 %
b Medicaid (from Worksheet 3, column a)			3,676,667	3,093,809	582,858	12 070 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			3,698,099	3,093,809	604,290	12 510 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			412		412	0 010 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			3,103		3,103	0 060 %
j **Total** Other Benefits			3,515		3,515	0 070 %
k **Total.** Add lines 7d and 7j			3,701,614	3,093,809	607,805	12 580 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense	2	159,378		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	6,800		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	2,527,815		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	2,332,218		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	195,597		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?		9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI		9b	Yes	

Part IV Management Companies and Joint Ventures (see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	COOPERSTOWN MEDICAL CENTER 1200 ROBERTS AVE NE COOPERSTOWN, ND 58425	X				X		X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

COOPERSTOWN MEDICAL CENTER

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		No
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 250 000000000000%			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☑ Income level			
	b ☑ Asset level			
	c ☑ Medical indigency			
	d ☑ Insurance status			
	e ☑ Uninsured discount			
	f ☐ Medicaid/Medicare			
	g ☑ State regulation			
	h ☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☐ The policy was posted at all times on the hospital facility's web site			
	b ☑ The policy was attached to all billing invoices			
	c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☐ The policy was posted in the hospital facility's admissions offices			
	e ☑ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☐ The policy was available upon request			
	g ☐ Other (describe in Part VI)			
Billing and Collections				
14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
	a ☑ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments or arrests			
	e ☐ Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16	Yes	
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a ☑ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☐ Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
	a ☑ Notified patients of the financial assistance policy upon admission			
	b ☑ Notified patients of the financial assistance policy prior to discharge			
	c ☑ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
	d ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
	e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

	Name and address	Type of Facility (Describe)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE ORGANIZATION USES A COST TO CHARGE METHODOLOGY AS DETERMINED BY THE MEDICARE COST REPORT

Identifier	ReturnReference	Explanation
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 159378

Identifier	ReturnReference	Explanation
		PART II N/A

Identifier	ReturnReference	Explanation
	SCHEDULE H, PART II	THE ORGANIZATION PARTICIPATES IN COMMUNITY BUILDING ACTIVITIES, HOWEVER, THE ACTIVITIES ARE TOO DIFFICULT TO QUANTIFY AND ARE NOT TRACKED

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE ORGANIZATION USES THE COST TO CHARGE METHODOLOGY TO DETERMINE BAD DEBT THE ORGANIZATION DOES NOT HAVE A FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS THAT DESCRIBES BAD DEBT EXPENSE THEY DO HAVE A FOOTNOTE ON THE PATIENT ACCOUNTS RECEIVABLE AND CREDIT POLICY, NOTED BELOW MANAGEMENT PROVIDES FOR CONTRACTUAL ADJUSTMENTS UNDER TERMS OF THIRD-PARTY REIMBURSEMENT AGREEMENTS THROUGH A REDUCTION OF GROSS REVENUE AND A CREDIT TO PATIENT OR RESIDENT ACCOUNTS RECEIVABLE IN ADDITION, MANAGEMENT PROVIDES FOR PROBABLE UNCOLLECTIBLE AMOUNTS, PRIMARILY FROM UNINSURED PATIENTS AND RESIDENTS AND AMOUNTS PATIENTS AND RESIDENTS ARE PERSONALLY RESPONSIBLE FOR, THROUGH A CHARGE TO OPERATIONS AND A CREDIT TO A VALUATION ALLOWANCE BASED ON ITS ASSESSMENT OF HISTORICAL COLLECTION LIKELIHOOD AND THE CURRENT STATUS OF INDIVIDUAL ACCOUNTS BALANCES THAT ARE STILL OUTSTANDING AFTER MANAGEMENT HAS USED REASONABLE COLLECTION EFFORTS ARE WRITTEN OFF THROUGH A CHARGE TO THE VALUATION ALLOWANCE AND A CREDIT TO PATIENT AND RESIDENT ACCOUNTS RECEIVABLE CHAIRTY CARE - THE ORGANIZATION PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES THE ORGANIZATION MAINTAINS RECORDS TO IDENTIFY THE AMOUNT OF CHARGES FOR SERVICES AND SUPPLIES FURNISHED UNDER THE CHARITY CARE POLICY BECAUSE THE ORGANIZATION DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS NET PATIENT SERVICE REVENUE

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE COSTING METHODOLOGY USED IS COST TO CHARGE RATIO OF 1 17 AS DETERMINED BY THE MEDICARE COST REPORT THE SURPLUS CALCULATED ABOVE WAS RECOGNIZED BY THE ORGANIZATION AS A PAYABLE BACK TO MEDICARE

Identifier	ReturnReference	Explanation
COOPERSTOWN MEDICAL CENTER		PART V, SECTION B, LINE 19D 15% MARK UP OFF BC CHARGE RATES

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 THE ORGANIZATION OFFERS WELLNESS SCREENINGS ONCE A YEAR AT NO COST TO THE PUBLIC TO ASSESS HEALTH NEEDS INCLUDED ARE BLOOD PRESSURE CHECKS, DIABETES SCREENINGS, PULMONARY AND RESPIRATORY SCREENINGS, AND EDUCATION ON GOOD HEALTH THIS OFTEN RESULTS IN FOLLOW-UP CARE AFTER RESULTS OF SCREENINGS ARE REVIEWED THE ORGANIZATION ALSO OFFERS A COMMUNITY WEIGHT LOSS PROGRAM (GORED) AS WELL AS WELLNESS LUNCHEONS ON RELATED HEALTH TOPICS

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 PATIENTS RECEIVE CHARITY CARE INFORMATION THROUGH THE BUSINESS OFFICE THE ORGANIZATION MAILS BROCHURES REGARDING THE PROGRAM IN PAST DUE STATEMENTS THE ORGANIZATION ALSO GIVES THE BROCHURE TO PEOPLE IN THE COMMUNITY KNOWN TO THE ORGANIZATION THAT DO NOT HAVE INSURANCE UPON ARRIVAL FOR A VISIT THE CHARITY CARE INFORMATION IS PART OF THE INTAKE PROCESS

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 AS OF THE CENSUS OF 2010, THERE WERE 2,420 PEOPLE AND 1,086 HOUSEHOLDS RESIDING IN THE COUNTY THE POPULATION DENSITY WAS 3 4 PEOPLE PER SQUARE MILE THERE WERE 1,451 HOUSING UNITS THE RACIAL MAKEUP OF THE COUNTY WAS 98 90% WHITE, 0 20% ASIAN, 0 30% BLACK, 0 50% AMERICAN INDIAN AND ALASKA NATIVE PERSONS, AND 0 10% FROM OTHER RACES THERE WERE 1,086 HOUSEHOLDS OUT OF WHICH 23 80% HAD CHILDREN UNDER THE AGE OF 18 LIVING WITH THEM, 55 00% WERE MARRIED COUPLES LIVING TOGETHER, 5 30% HAD A FEMALE HOUSEHOLDER WITH NO HUSBAND PRESENT, AND 36 90% WERE NON-FAMILIES OF THE NON-FAMILY HOUSEHOLDS, 33 70% OF HOUSEHOLDERS LIVED ALONE AND 18 20% OF HOUSEHOLDERS LIVING ALONE, WERE 65 YEARS OF AGE OR OLDER THE AVERAGE HOUSEHOLD SIZE WAS 2 16 AND THE AVERAGE FAMILY SIZE WAS 2 74 IN THE COUNTY THE POPULATION WAS SPREAD OUT WITH 20 40% UNDER THE AGE OF 19, 2 5% FROM 20 TO 24, 17 30% FROM 25 TO 44, 33 40% FROM 45 TO 64, AND 26 40% WHO WERE 65 YEARS OF AGE OR OLDER THE MEDIAN AGE WAS 51 9 YEARS THE MEDIAN INCOME FOR A HOUSEHOLD IN THE COUNTY WAS $43,000, AND THE MEDIAN INCOME FOR A FAMILY WAS $55,724 ABOUT 5 10% OF FAMILIES AND 9 70% OF THE POPULATION WERE BELOW THE POVERTY LINE, INCLUDING 9 80% OF THOSE UNDER AGE 18 AND 20 2% OF THOSE AGE 65 OR OVER

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 THE ORGANIZATION OFFERS A VARIETY OF SERVICES TO THE COMMUNITY TO ASSIST IN TAKING AWAY THE BURDEN OF HAVING TO TRAVEL FOR MEDICAL CARE THE ORGANIZATION ALSO ASSISTS IN ACCOMMODATING ANY FINANCIAL CONCERNS THROUGH THE CHARITY CARE PROGRAM BY DOING BOTH, THE ORGANIZATION HOPES TO BETTER THE WELL-BEING OF THE COMMUNITY THE BOARD OF DIRECTORS IS COMPRISED OF PERSONS WHO RESIDE IN THE PRIMARY SERVICE AREA MEDICAL STAFF PRIVILEGES ARE GIVEN TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY THE ORGANIZATION IS AFFILIATED WITH EMERGENCY HEART NETWORK, ST PAUL RAMSEY BURN CENTER, AND LIFE FLIGHT

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) BRIAN TWETE	(i)	188,873	0	0	3,840	6,868	199,581	0
	(ii)	0	0	0	0	0	0	0
(2) KEVIN JACOBSON	(i)	166,104	0	0	2,468	3,732	172,304	0
	(ii)	0	0	0	0	0	0	0
(3) JEFFREY PETERSON	(i)	195,682	0	0	0	4,475	200,157	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

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2011

Open to Public Inspection

Name of the organization
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	HEALTH CARE FACILITIES REFUNDING REVENUE BONDS SERIES 2010	45-6002048		03-30-2010	1,600,000	REFUND A PRIOR ISSUE		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	163,735			
2	Amount of bonds defeased				
3	Total proceeds of issue	1,600,000			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds	1,600,000			
12	Other unspent proceeds				
13	Year of substantial completion	2010			

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X						

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		X						

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?	X							
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		X						

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☐ Yes ☑ No

Part VI Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶See separate instructions.

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2011

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Name of the organization
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
(1) SCOTT SAYER REVOLVING LINE OF CREDIT	X		700,000	402,140		No		No	Yes	
Total . . . . . ▶ $				402,140						

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV **Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No

Part V **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 IS PRESENTED FOR REVIEW AND APPROVAL TO THE BOARD OF DIRECTORS DURING A REGULARLY SCHEDULED BOARD MEETING THE CFO REVIEWS THE FORM 990 PRIOR TO FILING
	FORM 990, PART VI, SECTION B, LINE 12C	EACH BOARD MEMBER ANNUALLY AND UPON HIRE EACH CORPORATE OFFICER, EXECUTIVE, DEPARTMENT DIRECTOR, SUPERVISOR OR OTHER INDIVIDUAL, DULY AUTHORIZED BY THE GOVERNING BODY TO CONDUCT BUSINESS ON BEHALF OF COOPERSTOWN MEDICAL CENTER SIGNS A STATEMENT WHICH AFFIRMS THAT SUCH PERSON 1) HAS RECEIVED A COPY OF THE CONFLICT OF INTEREST POLICY, 2) HAS READ AND UNDERSTANDS THE POLICY, 3) HAS AGREED TO COMPLY WITH THE POLICY, 4) UNDERSTANDS THAT THE ORGANIZATION IS AND INCLUDES CHARITABLE ORGANIZATIONS AND THAT IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION IT MUST ENGAGE PRIMARILY IN ACTIVITIES WHICH FURTHER ONE OR MORE OF ITS TAX-EXEMPT PURPOSES
	FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF DIRECTORS DETERMINES AND APPROVES COMPENSATION OF THE CEO KEY EMPLOYEE COMPENSATION IS DETERMINED USING SURVEYS OF COMPARABLE ORGANIZATIONS COMPENSATION FOR KEY EMPLOYEES IS APPROVED BY THE CEO AND HUMAN RESOURCES DEPARTMENT
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST AND AT THE ANNUAL MEETING
	FORM 990, PART XII, LINE 2C	THE BOARD OF DIRECTORS ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS AND SELECTION OF AN INDEPENDENT AUDITOR THIS PROCESS HAS NOT CHANGED FROM PRIOR YEAR

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
COOPERSTOWN MEDICAL CENTER

Employer identification number
45-0227753

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) COOPERSTOWN MEDICAL CENTER FOUNDATION 1200 ROBERTS AVE NE COOPERSTOWN, ND 58425 45-0450301	TO SUPPORT THE PROGRAMS OF THE COOPERSTOWN MEDICAL CENTER	ND	501(C)(3)	LINE 7	COOPERSTOWN MEDICAL CENTER	Yes	

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Sale of assets to related organization(s)	1f		No
g Purchase of assets from related organization(s)	1g		No
h Exchange of assets with related organization(s)	1h		No
i Lease of facilities, equipment, or other assets to related organization(s)	1i		No
j Lease of facilities, equipment, or other assets from related organization(s)	1j		No
k Performance of services or membership or fundraising solicitations for related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by related organization(s)	1l		No
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m		No
n Sharing of paid employees with related organization(s)	1n		No
o Reimbursement paid to related organization(s) for expenses	1o		No
p Reimbursement paid by related organization(s) for expenses	1p		No
q Other transfer of cash or property to related organization(s)	1q		No
r Other transfer of cash or property from related organization(s)	1r		No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) COOPERSTOWN MEDICAL CENTER FOUNDATION	C	248,824	COST
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Schedule R (Form 990) 2011

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation	

Cooperstown Medical Center and Affiliate

Cooperstown, North Dakota

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2012 and 2011

Cooperstown Medical Center and Affiliate

Consolidated Financial Statements and Supplementary Information

Years Ended June 30, 2012 and 2011

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WIPFLI LLP

Independent Auditor's Report

Board of Directors
Cooperstown Medical Center
Cooperstown, North Dakota

We have audited the accompanying consolidated balance sheets of Cooperstown Medical Center and Affiliate as of June 30, 2012 and 2011, and the related consolidated statements of operations, changes in net deficit, and cash flows for the years then ended These financial statements are the responsibility of the Organization's management Our responsibility is to express an opinion on these consolidated financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation We believe that our audits provide a reasonable basis for our opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cooperstown Medical Center and Affiliate as of June 30, 2012 and 2011, and the results of their operations, changes in net deficit, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States

The accompanying consolidated financial statements have been prepared assuming the Organization will continue as a going concern As discussed in Note 23 to the consolidated financial statements, the Organization has incurred significant recurring losses from operations and has a consolidated net deficit, which raises substantial doubt about its ability to continue as a going concern Management's plans in regard to this matter are described in Note 23 The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty

Wipfli LLP

Wipfli LLP

November 14, 2012
Minneapolis, Minnesota

Cooperstown Medical Center and Affiliate

Consolidated Balance Sheets

June 30, 2012 and 2011

Assets	2012	2011
Current assets		
Cash and cash equivalents	$ 96,862	$ 259,416
Assets limited as to use - Current portion	65	10,216
Patient accounts receivable - Net	819,905	874,879
Other accounts receivable	936	9,111
Pledges receivable	2,150	2,350
Inventories	67,689	105,523
Prepaid expenses and other	60,857	55,062
Total current assets	1,048,464	1,316,557
Assets limited as to use	105,673	132,738
Property and equipment - Net	1,642,495	1,666,251
Other assets		
Unamortized debt issue costs	21,520	23,106
Tenant security deposits	14,603	16,375
Total other assets	36,123	39,481
TOTAL ASSETS	$ 2,832,755	$ 3,155,027

Liabilities and Net Deficit	2012	2011
Current liabilities		
Current maturities of long-term debt	$ 146,629	$ 138,434
Current portion of capital lease obligations	8,209	15,013
Line of credit	402,140	328,059
Accounts payable	1,045,672	529,169
Accrued liabilities		
Salaries and wages	43,000	312,637
Payroll taxes and other	53,601	59,723
Vacation	126,182	258,540
Health insurance	69,000	50,000
Interest	6,609	6,803
Due to third-party reimbursement programs	291,000	663,000
Total current liabilities	2,192,042	2,361,378
Long-term liabilities		
Long-term debt	1,879,936	2,026,055
Capital lease obligations	36,096	11,826
Tenant security deposits	13,600	15,397
Total long-term liabilities	1,929,632	2,053,278
Total liabilities	4,121,674	4,414,656
Net assets (deficit)		
Unrestricted net assets	(1,333,737)	(1,259,629)
Temporarily restricted	44,818	-
Total net deficit	(1,288,919)	(1,259,629)
TOTAL LIABILITIES AND NET DEFICIT	$ 2,832,755	$ 3,155,027

Cooperstown Medical Center and Affiliate

Consolidated Statements of Operations

Years Ended June 30, 2012 and 2011

	2012	2011
Revenue		
Net patient service revenue	$ 4,090,522	$ 3,775,523
Rental revenue	621,505	181,804
Grant income	164,826	9,796
Operating subsidy	47,578	-
Other operating income	152,644	126,546
Total revenue	5,077,075	4,093,669
Expenses		
Salaries and wages	2,427,904	2,302,291
Employee benefits	601,083	478,454
Purchased and contracted services	786,405	481,714
Supplies and other	1,028,304	1,014,823
Donations	10,056	-
Interest	129,347	120,853
Provision for doubtful accounts	159,378	81,062
Depreciation and amortization	295,502	310,156
Total expenses	5,437,979	4,789,353
Loss from operations	(360,904)	(695,684)
Other income (loss)		
Interest income	1,013	6,206
Contributions	205,236	39,123
Gain on disposal of equipment	3,241	-
Other	622	7,250
Special events - Net of expenses	13,158	38,132
Discontinued operations	-	(180,369)
Total other income (loss)	223,270	(89,658)
Expenses in excess of revenue	(137,634)	(785,342)
Other changes in net assets - Contributions for property and equipment	63,526	-
Change in unrestricted net deficit	$ (74,108)	$ (785,342)

See accompanying notes to consolidated financial statements

Cooperstown Medical Center and Affiliate

Consolidated Statements of Changes in Net Deficit

Years Ended June 30, 2012 and 2011

	2012	2011
Unrestricted net assets (deficit)		
Expenses in excess of revenue	$ (137,634)	$ (785,342)
Contributions for property and equipment	63,526	-
Change in unrestricted net deficit	(74,108)	(785,342)
Temporarily restricted net assets - Contributions for specific purposes	44,818	-
Change in net deficit	(29,290)	(785,342)
Net deficit at beginning	(1,259,629)	(474,287)
Net deficit at end	$ (1,288,919)	$ (1,259,629)

See accompanying notes to consolidated financial statements

Cooperstown Medical Center and Affiliate

Consolidated Statements of Cash Flows

Years Ended June 30, 2012 and 2011

	2012	2011
Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities		
Change in net deficit	$ (29,290)	$ (785,342)
Adjustments to reconcile change in net deficit to net cash provided by (used in) operating activities		
Depreciation and amortization	295,502	310,156
Provision for doubtful accounts	159,378	81,062
Gain on disposal of equipment	3,241	-
Contributions for property and equipment	(63,526)	-
Contributions for specific purposes	(44,818)	-
Changes in operating assets and liabilities		
Patient accounts receivable	(104,404)	(115,979)
Due from third-party reimbursement programs	-	29,940
Other accounts receivable	8,175	25,426
Inventories	37,834	(4,957)
Prepaid expenses and other	(5,795)	(10,047)
Tenant security deposits	1,772	1,538
Accounts payable	516,503	(221,129)
Accrued liabilities	(389,311)	6,703
Due to third-party reimbursement programs	(372,000)	663,000
Tenant security deposits	(1,797)	(2,166)
Total adjustments	40,754	763,547
Net cash provided by (used in) operating activities	11,464	(21,795)

Cooperstown Medical Center and Affiliate

Consolidated Statements of Cash Flows (Continued)

Years Ended June 30, 2012 and 2011

	2012	2011
Cash flows from investing activities		
Purchase of property and equipment	$ (182,171)	$ (97,804)
Decrease in assets limited as to use	37,216	41,791
Payments received on pledges receivable	200	4,550
Net cash used in investing activities	(144,755)	(51,463)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	-	450,000
Proceeds from issuance of note payable	74,081	37,304
Principal payments on long-term debt	(137,924)	(145,213)
Payments on capital lease obligation	(10,238)	(24,105)
Contributions for specific purposes	44,818	-
Payment of debt issue costs	-	(3,414)
Net cash provided by (used in) financing activities	(29,263)	314,572
Increase (decrease) in cash and cash equivalents	(162,554)	241,314
Cash and cash equivalents at beginning	259,416	18,102
Cash and cash equivalents at end	$ 96,862	$ 259,416
Supplemental cash flow information		
Cash paid during the year for interest	$ 129,541	$ 121,903
Noncash investing and financing activities		
Property and equipment acquired under a capital lease obligation	$ 49,586	$ -
Payments foregone on equipment returned for capital lease obligation	$ 21,882	$ -

Cooperstown Medical Center and Affiliate

Notes to Consolidated Financial Statements

Note 1 Summary of Significant Accounting Policies

The Entity

Cooperstown Medical Center (the "Medical Center") is organized as a North Dakota nonprofit organization and consists of an 18-bed critical access hospital, a 12-unit assisted living facility, and a medical clinic located in Cooperstown, North Dakota The Medical Center also operates a clinic in Binford, North Dakota

The Medical Center also operated a 48 bed skilled nursing facility in Cooperstown, North Dakota through June 30, 2011 The Medical Center entered into a Lease and Management Agreement (the "Agreement") which transferred the operations of the skilled nursing facility to Griggs County Nursing Home effective July, 1, 2011 Griggs County Nursing Home leases the skilled nursing facility and certain equipment from the Medical Center under terms of the Agreement

Cooperstown Medical Center Foundation (the "Foundation") is organized as a North Dakota nonprofit corporation The Medical Center is the sole member of the Foundation

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Medical Center and the Foundation, collectively referred to as the "Organization " All material intercompany accounts and transactions have been eliminated in consolidation

Financial Statement Presentation

The Organization follows accounting standards contained in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities in the preparation of financial statements in conformity with GAAP

Note 1 Summary of Significant Accounting Policies (Continued)

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period Actual results may differ from these estimates

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents, excluding amounts whose use is limited or restricted

Patient Accounts Receivable and Credit Policy

Patient accounts receivable are uncollateralized obligations that are stated at the amount management expects to collect from outstanding balances These obligations are primarily from local residents, most of whom are insured under third-party payer agreements The Organization bills third-party payers on the patients' behalf, or if a patient is uninsured, the patient is billed directly Once claims are settled with the primary payer, any secondary insurance is billed, and patients or residents are billed for copay and deductible amounts that are the patients' responsibility Payments on accounts receivable are applied to the specific claim identified on the remittance advice or statement

The Organization does have a policy to charge interest on past-due accounts, interest is charged at 1% per month on account balances greater than 30 days past due

Note 1 Summary of Significant Accounting Policies (Continued)

Patient Accounts Receivable and Credit Policy (Continued)

The carrying amounts of accounts receivable are reduced by allowances that reflect management's best estimate of the amounts that will not be collected Management provides for contractual adjustments under terms of third-party reimbursement agreements through a reduction of gross revenue and a credit to patient accounts receivable In addition, management provides for probable uncollectible amounts, primarily from uninsured patients and amounts patients are personally responsible for, through a charge to operations and a credit to a valuation allowance based on its assessment of historical collection and the current status of individual accounts Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable

Patient and resident accounts receivable are recorded in the accompanying consolidated balance sheets net of contractual adjustments and allowances for doubtful accounts

Inventories

Inventories of supplies are valued at the lower of cost, determined using the first-in, first-out method, or market

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying consolidated balance sheets Certificates of deposit are carried at cost plus accrued interest

Investment income (including realized gains and losses, interest, and dividends) is reported as other income and is included in the expenses in excess of revenue (operating indicator) unless the income is restricted by donor or law Unrealized gains and losses on investments are excluded from the operating indicator unless the investments are trading securities Realized gains or losses are determined by specific identification

Note 1 Summary of Significant Accounting Policies (Continued)

Investments and Investment Income (Continued)

The Organization monitors the difference between the cost and fair value of its investments A decline in market value of an individual investment security below cost that is deemed to be other than temporary results in an impairment, and the Organization reduces the investment's carrying value to fair value A new cost basis is established for the investment, and any impairment loss is recorded as a realized loss in investment income

Assets Limited as to Use

Assets limited as to use include assets designated by the Board of Directors for future capital improvements, over which the Organization's Board of Directors retains control and may at its discretion subsequently use for other purposes and assets held for self-funded health insurance benefits Amounts required to meet current liabilities of the Organization have been classified as current assets

Note 1 Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

The Organization measures fair value of its financial instruments using a three-tier hierarchy which prioritizes the inputs used in measuring fair value The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements) The three levels of the fair value hierarchy under ASC Topic 820 are described below

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access

Level 2 - Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs

Note 1 Summary of Significant Accounting Policies (Continued)

Property, Equipment, and Depreciation

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the date of donation Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment Such amortization is included with depreciation expense in the accompanying consolidated financial statements Estimated useful lives range from 5 to 25 years for land improvements, from 3 to 40 years for buildings and improvements, and from 3 to 25 years for movable equipment

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support and are excluded from the expenses in excess of revenue unless explicit donor stipulations specify how the donated assets must be used Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service

Asset Impairment

The Organization reviews its property and equipment periodically to determine potential impairment by comparing the carrying value of the property and equipment with the estimated future net discounted cash flows expected to result from the use of the assets, including cash flows from disposition Should the sum of the expected future net cash flows be less than the carrying value, the Organization would recognize an impairment loss at that time No impairment losses were recognized in 2012 or 2011

Note 1 Summary of Significant Accounting Policies (Continued)

Asset Retirement Obligations

ASC Topic 410, *Accounting for Conditional Asset Retirement Obligations,* clarifies when an entity is required to recognize a liability for a conditional asset retirement obligation The Organization has considered ASC Topic 410, specifically as it relates to its legal obligation to perform asset retirement activities on its existing properties The Organization believes there is an indeterminate settlement date for the asset retirement obligations because the range of time over which the Organization may settle the obligation is unknown and cannot be estimated As a result, the Organization cannot reasonably estimate the liability related to these asset retirement activities as of June 30, 2012 and 2011

Unamortized Debt Issue Costs

Costs related to issuance of long-term debt are amortized over the life of the related debt

Tenant Security Deposits

Security deposits advanced by tenants of the assisted living units are held in trust by the Organization A liability is also recorded for amounts advanced by tenants

Net Assets

Unrestricted net assets consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of the Organization and include those expendable resources which have been designated for special use by the Organization's Board of Directors Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity

For 2012 and 2011, the Organization has no permanently restricted net assets

Note 1 Summary of Significant Accounting Policies (Continued)

Expenses in Excess of Revenue

The accompanying consolidated statements of operations include the classification expenses in excess of revenue, which is considered the operating indicator Changes in unrestricted net assets, which are excluded from the operating indicator, include unrealized gains and losses on investments other than trading securities and contributions of long-lived assets including assets acquired using contributions that by donor restriction were to be used for the purposes of acquiring such assets

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates The Organization maintains records to identify the amount of charges for services and supplies furnished under the charity care policy Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue

Rental Revenue

Rental revenue is recognized as it accrues Advance receipts, if any, are deferred and classified as liabilities until earned

Note 1 Summary of Significant Accounting Policies (Continued)

Operating Subsidy

Operating subsidy consists of discretionary payments from an area hospital district The payments are recognized as revenue as they are received The Organization received operating subsidies of $47,458 and $0, for 2012 and 2011, respectively

Contributions

Contributions are considered available for unrestricted use unless specifically restricted by the donor Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received Conditional promises to give are not recognized until they become unconditional, that is, when the conditions upon which they depend are substantially met

Contributions are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions

Advertising Costs

Advertising costs are expensed as incurred

Note 1 Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is a tax-exempt corporation as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code The Organization is also exempt from state income taxes on related income

In order to account for any uncertain tax positions, ASC Topic 740-10, *Income Taxes*, requires an organization to assess whether it is more likely than not that a tax position will be sustained upon examination of the technical merits of the position, assuming the taxing authority has full knowledge of all information If the tax position does not meet the more-likely-than-not recognition threshold, the benefit of the tax position is not recognized in the financial statements Management does not believe the Organization has any material uncertain tax positions or unrecognized tax benefits

Federal and state returns for tax years 2008 and subsequent years remain subject to examination by major tax jurisdictions

Subsequent Events

Subsequent events have been reviewed through November 14, 2012, which is the date the consolidated financial statements were available to be issued

New Accounting Pronouncements

In August 2010, the Financial Accounting Standards Board (FASB) issued ASU No 2010-23, *Measuring Charity Care for Disclosure* This ASU amends ASC topic 954 and requires the entities to use cost as the measurement basis for charity care disclosures, including direct and indirect costs Entites are also required to disclose the method used to determine these costs, such as directly from a costing system or through an estimation process The Organization adopted the guidance in this ASU for the year ended June 30, 2012 The amount of charity care for the year ended June 30, 2011 has been restated to reflect the estimated cost

Note 2 Reimbursement Arrangements With Third-Party Payers

The Organization has agreements with third-party payers that provide for reimbursement at amounts that vary from its established rates A summary of the basis of reimbursement with major third-party payers follows

Hospital

Medicare - The Organization's hospital is designated as a critical access hospital (CAH) Under this designation, inpatient and outpatient hospital services are paid based upon a cost-reimbursement methodology Certain professional services provided by physicians are reimbursed based on prospectively determined fee schedules

Medicaid - Inpatient and outpatient hospital services are paid based upon a cost-reimbursement methodology Inpatient services are reimbursed using Medicare interim per diem rates, decreased by 1% Outpatient services are paid at Medicare interim payment rates

Blue Cross and Others - The Organization has also entered into payment agreements with Blue Cross, certain commercial insurance carriers, and other organizations The basis for payment to the Organization under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates

Clinic

Medicare - Clinical services are paid on a fee-screen basis or on a cost-related basis for rural health clinic services

Medicaid - Clinical services are paid on a fixed-fee schedule or on a cost-related basis for rural health clinic services

Blue Cross and Others - The Organization has also entered into payment agreements with Blue Cross, certain commercial insurance carriers, and other organizations The basis for payment to the Organization under these agreements includes payments on a fixed-fee schedule or discounts from established charges

Note 2 Reimbursement Arrangements With Third-Party Payers (Continued)

Accounting for Contractual Arrangements

The Organization is reimbursed for certain cost-reimbursable items at an interim rate, and final settlements are determined after audit of the Organization's related annual cost reports by the respective Medicare and Medicaid fiscal intermediaries Estimated provisions to approximate the final expected settlements after review by the intermediaries are included in the accompanying consolidated financial statements The Organization's cost reports have been examined by the Medicare fiscal intermediary through June 30, 2010, and by Medicaid through June 30, 2008

Note 2 Reimbursement Arrangements With Third-Party Payers (Continued)

Laws and Regulation

The health care industry is subject to numerous laws and regulations of federal, state, and local governments These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and billing regulations Government activity with respect to investigations and allegations concerning possible violations of such regulations by health care providers has increased Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayment for patient services previously billed Management believes that the Organization is in compliance with applicable government laws and regulations While no significant regulatory inquiries have been made of the Organization, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time

The Centers for Medicare and Medicaid Services (CMS) implemented a project using recovery audit contractors (RAC) as part of CMS's further efforts to ensure accurate payments The project uses RACs to search for potentially inaccurate Medicare payments that might have been made to health care providers and that were not detected through existing CMS program integrity efforts Once a RAC identifies a claim it believes is inaccurate, it makes a deduction from or addition to the provider's Medicare reimbursement in an amount estimated to equal the overpayment or underpayment The organization may either accept or appeal the RAC's findings The Organization's policy is to adjust revenue for decreases in reimbursement from the RAC reviews when the amounts are estimable and to adjust revenue for increases in reimbursement from RAC reviews when the increase in reimbursement is agreed upon RAC reviews of the Organization are anticipated, however, the outcome of such reviews are unknown, and any financial impact cannot be reasonably estimated at June 30, 2012

Note 3 Patient Accounts Receivable

Patient accounts receivable consisted of the following at June 30

	2012	2011
Patient accounts receivable	$ 956,405	$ 1,051,645
Less		
Contractual adjustments	35,500	91,766
Allowance for doubtful accounts	101,000	85,000
Patient accounts receivable - Net	$ 819,905	$ 874,879

Note 4 Assets Limited as to Use

Assets limited as to use consisted of the following at June 30

	2012	2011
Board-designated for self-funded health insurance benefits		
Cash	$ 65	$ 10,216
Board-designated for property and equipment		
Certificates of deposit	76,946	103,384
Corporate equities	28,727	29,354
Total Board-designated for property and equipment	105,673	132,738
Total assets limited as to use	105,738	142,954
Less - Assets limited to use - Current portion	65	10,216
Assets limited as to use	$ 105,673	$ 132,738

Note 5 Fair Value Measurements

The following table sets forth the fair value of the Organization's assets at June 30

	Level 1	Level 2	Level 3	Total
Corporate equities				
June 30, 2012	$ 28,727	$ -	$ -	$ 28,727
June 30, 2011	29,354	-	-	29,354

The fair value of corporate equities is determined using quoted market prices

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain instruments could result in a different fair value measurement at the reporting date

Note 6 Property, Equipment, and Depreciation

Property and equipment consisted of the following at June 30

	2012	2011
Land	$ 133,277	$ 133,277
Land improvements	154,615	154,615
Buildings and improvements	6,035,074	5,988,851
Movable equipment	1,687,562	1,502,215
Total property and equipment	8,010,528	7,778,958
Less - Accumulated depreciation	6,474,820	6,232,162
Net depreciated value	1,535,708	1,546,796
Construction in progress	106,787	119,455
Property and equipment - Net	$ 1,642,495	$ 1,666,251

Note 6 Property, Equipment, and Depreciation (Continued)

Cost of equipment under capital lease obligations, which is included in movable equipment, was $177,991 and $128,405 at June 30, 2012 and 2011, and accumulated amortization for equipment under capital lease obligations was $116,375 and $105,103 at June 30, 2012 and 2011, respectively

Note 7 Line of Credit

At June 30, 2012 and 2011, the Organization had a line of credit of $400,000 with a bank The line of credit bears interest at 4 75% at June 30, 2012 It is secured by property and equipment and is due on demand Outstanding borrowings were $402,140 and $328,059 at June 30, 2012 and 2011, respectively The line of credit matures February 1, 2013

Note 8 Capital Lease Obligations

The Organization uses certain equipment under lease agreements classified as capital leases Capital lease obligations consisted of the following at June 30

	2012	2011
Capital lease obligation, imputed interest at 8 8% , secured by office equipment, due in monthly installments of $982 through January 2017	$ 44,305	$ -
Capital lease obligation, imputed interest at 6 0%, secured by office equipment The lease was terminated in 2012	-	26,839
Totals	44,305	26,839
Less - Current maturities	8,209	15,013
Long-term portion	$ 36,096	$ 11,826

Note 8 Capital Lease Obligations (Continued)

Minimum future payments under capital lease obligations are as follows

2013	$	11,782
2014		11,782
2015		11,782
2016		11,782
2017		6,871
Total minimum lease payments		53,999
Amount representing interest		9,694
Long-term obligation under capital lease	$	44,305

Note 9 Long-Term Debt

Long-term debt consisted of the following at June 30

	2012	2011
4 85% Health Care Facilities Revenue Refunding Bonds Series 2010, due in monthly installments of $12,528 including interest until March 2025, secured by a mortgage on the Organization's real estate	$ 1,436,265	$ 1,514,460
6 25% note payable, due in monthly installments of $1,689 including interest until January 2016, secured by certain assets	64,936	80,599
4 50% variable-rate note payable, due in monthly installments of $992 including interest until October 2027, secured by substantially all assets of the Organization	131,968	136,722
5 00% note payable, due in monthly installments of $2,652 including interest to December 2021, secured by certain assets	220,570	240,712
1 00% note payable, due in monthly installments of $1,751 including interest to January 2021, secured by certain assets	172,826	191,996
Totals	2,026,565	2,164,489
Less - Current maturities	146,629	138,434
Long-term portion	$ 1,879,936	$ 2,026,055

Note 9 Long-Term Debt (Continued)

Scheduled principal payments on long-term debt at June 30, 2012, including current maturities, are summarized as follows

2013	$ 146,629
2014	153,132
2015	160,226
2016	159,107
2017	154,102
Thereafter	1,253,369
Total	$ 2,026,565

Note 10 Net Patient Service Revenue

Net patient service revenue consisted of the following at June 30

	2012	2011
Gross patient service revenue	$ 3,986,811	$ 4,122,990
Less - Contractual adjustments	(103,711)	347,467
Net patient service revenue	$ 4,090,522	$ 3,775,523

Medicare was 54% and 56% of gross patient service revenue for 2012 and 2011, respectively and BlueCrossBlueShield was 22% and 21% of gross patient service revenue for 2012 and 2011, respectively

Note 11 Charity Care

The Organization maintains records to identify and monitor the level of charity care it provides The Organization computes the estimated cost of providing charity care by multiplying the ratio of cost to gross charges for the Medical Center times the gross uncompensated charges associated with providing charity care The estimated cost of providing care to patients under the Organization's charity care policy was approximately $6,800 and $4,800 for 2012 and 2011, respectively

Note 12 Rent Revenue

Rental revenue primarily consists of rents received from residents of the Organization's assisted living facility Revenue from services provided to the residents are included in other operating revenue on the accompanying consolidated statement of operations

Under a Lease and Management Agreement (the "Agreement") dated July 1, 2011, the Organization also receives rents for building, fixed equipment, and certain moveable equipment related to skilled nursing facility space leased to Griggs County Nursing Home (the "Care Center") The Agreement had an original term through June 30, 2012 and has been extended through June 30, 2013 The Agreement renews in one-year increments on June 30th until the original term has been extended through June 30, 2015 The Agreement can be terminated under certain terms without penalty or cause after July 1, 2012 Under terms of the Agreement, the Organization receives payments of approximately $422,500 for each year the agreement is in effect

Note 13 Transactions with Griggs County Nursing Home

Included in accounts payable is $265,064 due to the Care Center for purchases of dietary, laundry, and other services and reimbursement for assumption of accrued vacation liabilities of approximately $116,000 which transferred to the Care Center with the nursing home employees Laundry, dietary, and other services are purchased from the Care Center at estimated cost

Temporary staffing is sold to the Care Center on an as needed basis The Organization invoices the Care Center at cost for temporary staffing

The Organization sells health insurance coverage for Care Center employees at rates established by the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA rates")

The Care Center leases the skilled nursing facilities and purchases utilities and other services under a Lease and Management Agreement as discussed in Note 12 Rents, utilities, and other purchased services are sold to the Care Center based on the Organization's estimated cost

Transactions with the Care Center are reported in the statement of operations as follows

	2012	2011
Rental revenue	$ 422,508	$ -
Other operating income - Temporary staffing	86,895	-
Employee benefits - Health insurance and other benefits	326,658	-
Purchased services - Laundry, dietary, and other	(132,084)	-

Note 14 Discontinued Operations

Effective July 1, 2011, operations of the Organization's nursing home were assumed by the Care Center under a Lease and Management Agreement dated July 1, 2011 Revenues and expenses of the nursing home have been reclassified to discontinued operations for 2011

The following is a summary of the loss from the discontinued operations

	2012	2011
Nursing home revenues	$ -	$ 2,994,459
Nursing home expenses		
Salaries and wages	-	(1,850,781)
Employee benefits	-	(551,459)
Contract services	-	(169,121)
Other operating expenses	-	(603,467)
Total discontinued operations	$ -	$ (180,369)

Note 15 Functional Expenses

The Organization provides general health care services to residents within its geographic location Expenses related to providing these services consisted of the following

	2012	2011
Health care services	$ 4,843,144	$ 4,265,468
General and administrative	594,835	523,885
Total expenses	$ 5,437,979	$ 4,789,353

Note 16 Professional Liability Insurance

The Organization's professional liability insurance for claim losses of less than $1,000,000 per claim and $5,000,000 per year covers professional liability claims reported during a policy year ("claims made" coverage) The professional liability insurance policy is renewable annually and has been renewed by the insurance carrier for the annual period extending through January 1, 2013

Under a claims-made policy, the risk for claims and incidents not asserted within the policy period remains with the Organization Although there exists the possibility of claims arising from services provided to patients through June 30, 2012, which have not yet been asserted, the Organization is unable to determine the ultimate cost, if any, of such possible claims, and accordingly, no provision has been made

Note 17 Retirement Plan

The Organization has a defined contribution retirement plan covering substantially all employees The Organization made discretionary matching contributions based on the participants' total compensation The Organization matched the first 2% of compensation contributed in 2012 and 2011 Retirement plan expense totaled $13,594 and $25,675 in 2012 and 2011, respectively

Note 18 Self-Funded Insurance

The Organization has a self-funded health care plan that provides medical benefits to employees and their dependents Employees share in the cost of health benefits Health care expense is based upon actual claims paid, reinsurance premiums, administration fees, and unpaid claims at year-end The Organization buys reinsurance to cover individual claims over $40,000

Health care expense totals $417,773 and $263,251 for 2012 and 2011, respectively A liability of $69,000 and $50,000 for claims outstanding at June 30, 2012 and 2011, respectively, has been recorded in accrued liabilities in the accompanying consolidated balance sheets Management believes this liability is sufficient to cover estimated claims, including claims incurred but not yet reported

Note 19 Temporarily Restricted Net Assets

Temporarily restricted net assets include assets set aside in accordance with donor restrictions as to time or use Temporarily restricted net assets totaling $44,818 were available for equipment for the e-Emergency program at June 30, 2012 The e-Emergency program provides for live video connections between the Organization's emergency room and emergency room support from a regional health system

Note 20 Commitments and Contingencies

Under terms of a commerical guaranty agreement dated January 30, 2012, the Organization has guaranteed a $300,000 variable rate note payable (the "Note") of Griggs County Nursing Home At June 30, 2012, the outstanding balance on the Note was $287,777 with interest at 4 75% The Note matures February 2019

Note 21 Concentration of Credit Risk

Financial instruments that potentially subject the Organization to possible credit risk consist principally of accounts receivable, cash deposits in excess of insured limits, and investments

Accounts receivable consist of amounts due from patients, their insurers, or governmental agencies (primarily Medicare and Medicaid) for health care provided to the patients The majority of the Organization's patients are from Cooperstown, North Dakota, and the surrounding area

The mix of receivables from patients and third-party payers was as follows at June 30

	2012	2011
Medicare	44 %	45 %
Medicaid	11 %	9 %
Commercial insurance	18 %	18 %
Other third-party payers, patients, and residents	27 %	28 %
Totals	100 %	100 %

Note 21 Concentration of Credit Risk (Continued)

The Organization maintains depository relationships with area financial institutions that are Federal Depository Insurance Corporation (FDIC) insured institutions On November 9, 2010, the FDIC issued a final rule implementing Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which provides for unlimited insurance coverage of non-interest-bearing transaction accounts through December 31, 2012 At June 30, 2012, the Organization did not exceed the insured limits

Note 22 Reclassifications

Certain reclassifications have been made to the 2011 consolidated financial statements to conform to the 2012 classifications

Note 23 Going Concern

Management is aware of the Organization's current financial position and is continuing to pursue plans developed during previous years to improve the financial performance and operating cash flows of the Organization

Consolidated expenses in excess of revenue of $137,634 and $785,342, in 2012 and 2011, respectively, have continued a trend that has resulted in a consolidated net deficit of $1,288,919 at June 30, 2012

During 2011, the Organization contracted for an analysis of the corporate and financial structure of the Organization As a result of that analysis, a decision was made to transfer the skilled nursing facility operations to Griggs County Nursing Home effective July 1, 2011

Management's continuing plans to improve the Organization's financial performance and financial position include

- Pursuing the possibility of selling the assisted living units
- Determining if any additional support can be generated from the Community Medical Center Hospital District as a result of statute changes by the North Dakota legislature
- Considering adjustments to the employee health plan to reduce the expense to the Organization
- Evaluating payroll and staffing structure to determine whether existing and future staffing and compensation adjustments are consistent with market conditions in the area
- Evaluating reimbursement under Medicare to determine if appropriate reimbursement is being received through accurate cost reporting
- Considering various options to work with other health care providers in the region to ensure the continued delivery of health care services

Supplementary Information

WIPFLI LLP

Independent Auditor's Report on Supplementary Information

Board of Directors
Cooperstown Medical Center
Cooperstown, North Dakota

We have audited the consolidated financial statements of Cooperstown Medical Center and Affiliate for the years ended June 30, 2012 and 2011, and our report, which expressed an unqualified opinion on those financial statements, appears on page 1 Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole The supplementary information appearing on pages 36 through 43 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole

Wipfli LLP

Wipfli LLP

November 14, 2012
Minneapolis, Minnesota

Cooperstown Medical Center and Affiliate

Consolidating Balance Sheets

June 30, 2012

Assets	Medical Center	Foundation	Elimination	Consolidated Total
Current assets				
Cash and cash equivalents	$ 1,100	$ 95,762	$ -	$ 96,862
Assets limited as to use - Current portion	65	-	-	65
Patient and resident accounts receivable - Net	819,905	-	-	819,905
Other accounts receivable	936	-	-	936
Pledges receivable	-	2,150	-	2,150
Inventories	67,689	-	-	67,689
Prepaid expenses and other	60,692	165	-	60,857
Total current assets	950,387	98,077	-	1,048,464
Assets limited as to use	-	105,673	-	105,673
Property and equipment - Net	1,588,923	53,572	-	1,642,495
Other assets				
Unamortized debt issue costs	21,520	-	-	21,520
Tenant security deposits	14,603	-	-	14,603
Total other assets	36,123	-	-	36,123
TOTAL ASSETS	$ 2,575,433	$ 257,322	$ -	$ 2,832,755

Liabilities and Net Assets (Deficit)	Medical Center	Foundation	Elimination	Consolidated Total
Current liabilities				
Current maturities of long-term debt	$ 146,629	$ -	$ -	$ 146,629
Current portion of capital lease obligations	8,209	-	-	8,209
Line of credit	402,140	-	-	402,140
Accounts payable	1,045,672	-	-	1,045,672
Accrued liabilities				
Salaries and wages	43,000	-	-	43,000
Payroll taxes and other	53,601	-	-	53,601
Vacation	126,182	-	-	126,182
Health insurance	69,000	-	-	69,000
Interest	6,609	-	-	6,609
Due to third-party reimbursement programs	291,000	-	-	291,000
Total current liabilities	2,192,042	-	-	2,192,042
Long-term liabilities				
Long-term debt	1,879,936	-	-	1,879,936
Capital lease obligations	36,096	-	-	36,096
Tenant security deposits	13,600	-	-	13,600
Total long-term liabilities	1,929,632	-	-	1,929,632
Total liabilities	4,121,674	-	-	4,121,674
Net assets (deficit)				
Unrestricted	(1,591,059)	257,322	-	(1,333,737)
Temporarily restricted	44,818	-	-	44,818
Total net assets (deficit)	(1,546,241)	257,322	-	(1,288,919)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$ 2,575,433	$ 257,322	$ -	$ 2,832,755

Cooperstown Medical Center and Affiliate

Consolidating Balance Sheets (Continued)

June 30, 2011

Assets	Medical Center	Foundation	Elimination	Consolidated Total
Current assets				
Cash and cash equivalents	$ 100,575	$ 158,841	$ -	$ 259,416
Assets limited as to use - Current portion	10,216	-	-	10,216
Patient and resident accounts receivable - Net	874,879	-	-	874,879
Other accounts receivable	4,991	4,120	-	9,111
Pledges receivable	-	2,350	-	2,350
Inventories	105,523	-	-	105,523
Prepaid expenses and other	54,897	165	-	55,062
Total current assets	1,151,081	165,476	-	1,316,557
Assets limited as to use	-	132,738	-	132,738
Property and equipment - Net	1,656,290	9,961	-	1,666,251
Other assets				
Unamortized debt issue costs	23,106	-	-	23,106
Resident trust funds and security deposits	16,375	-	-	16,375
Total other assets	39,481	-	-	39,481
TOTAL ASSETS	$ 2,846,852	$ 308,175	$ -	$ 3,155,027

Liabilities and Net Assets (Deficit)	Medical Center	Foundation	Elimination	Consolidated Total
Current liabilities				
Current maturities of long-term debt	$ 138,434	$ -	$ -	$ 138,434
Current portion of capital lease obligations	15,013	-	-	15,013
Line of credit	328,059	-	-	328,059
Accounts payable	529,169	-	-	529,169
Accrued liabilities				
Salaries and wages	312,637	-	-	312,637
Payroll taxes and other	59,723	-	-	59,723
Vacation	258,540	-	-	258,540
Health insurance	50,000	-	-	50,000
Interest	6,803	-	-	6,803
Due to third-party reimbursement programs	663,000	-	-	663,000
Total current liabilities	2,361,378	-	-	2,361,378
Long-term liabilities				
Long-term debt	2,026,055	-	-	2,026,055
Capital lease obligations	11,826	-	-	11,826
Tenant security deposits	15,397	-	-	15,397
Total long-term liabilities	2,053,278	-	-	2,053,278
Total liabilities	4,414,656	-	-	4,414,656
Net assets (deficit)	(1,567,804)	308,175	-	(1,259,629)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	$ 2,846,852	$ 308,175	$ -	$ 3,155,027

Cooperstown Medical Center and Affiliate

Consolidating Statements of Operations

Year Ended June 30, 2012

	Medical Center	Foundation	Elimination	Consolidated Total
Revenue				
Net patient service revenue	$ 4,090,522	$ -	$ -	$ 4,090,522
Rental revenue	611,125	10,380	-	621,505
Grant income	164,826	-	-	164,826
Operating subsidy	47,578	-	-	47,578
Other operating income	152,644	-	-	152,644
Total revenue	5,066,695	10,380	-	5,077,075
Expenses				
Salaries and wages	2,427,904	-	-	2,427,904
Employee benefits	601,083	-	-	601,083
Purchased and contracted services	786,395	10	-	786,405
Supplies and other	1,014,130	14,174	-	1,028,304
Donations	-	258,880	(248,824)	10,056
Interest	129,347	-	-	129,347
Provision for doubtful accounts	159,378	-	-	159,378
Depreciation and amortization	293,141	2,361	-	295,502
Total expenses	5,411,378	275,425	(248,824)	5,437,979
Loss from operations	(344,683)	(265,045)	248,824	(360,904)
Other income				
Interest income	215	798	-	1,013
Contributions	253,824	200,236	(248,824)	205,236
Gain on disposal of equipment	3,241	-	-	3,241
Other	622	-	-	622
Special events - Net of expenses	-	13,158	-	13,158
Total other income	257,902	214,192	(248,824)	223,270
Revenue in excess (deficiency) of expenses	(86,781)	(50,853)	-	(137,634)
Other changes in unrestricted net assets - Contributions for property and equipment	63,526	-	-	63,526
Change in unrestricted net assets (deficit)	$ (23,255)	$ (50,853)	$ -	$ (74,108)

Cooperstown Medical Center and Affiliate

Consolidating Statements of Operations (Continued)

Year Ended June 30, 2011

	Medical Center	Foundation	Elimination	Consolidated Total
Revenue				
Net patient service revenue	$ 3,775,523	$ -	$ -	$ 3,775,523
Rental revenue	177,724	4,080	-	181,804
Grant income	9,796	-	-	9,796
Other operating income	126,546	-	-	126,546
Total revenue	4,089,589	4,080	-	4,093,669
Expenses				
Salaries and wages	2,302,291	-	-	2,302,291
Employee benefits	478,454	-	-	478,454
Purchased and contracted services	481,694	20	-	481,714
Supplies and other	1,001,332	13,491	-	1,014,823
Donations	-	30,701	(30,701)	-
Interest	120,874	(21)	-	120,853
Provision for doubtful accounts	79,612	1,450	-	81,062
Depreciation and amortization	307,815	2,341	-	310,156
Total expenses	4,772,072	47,982	(30,701)	4,789,353
Loss from operations	(682,483)	(43,902)	30,701	(695,684)
Other income				
Interest income	513	5,693	-	6,206
Contributions	34,520	35,304	(30,701)	39,123
Other	7,250	-	-	7,250
Special events - Net of expenses	-	38,132	-	38,132
Discontinued operations	(180,369)	-	-	(180,369)
Total other income	(138,086)	79,129	(30,701)	(89,658)
Revenue in excess (deficiency) of expenses	(820,569)	35,227	-	(785,342)
Other changes in unrestricted net assets - Contributions for property and equipment	-	-	-	-
Change in unrestricted net assets (deficit)	$ (820,569)	$ 35,227	$ -	$ (785,342)

Cooperstown Medical Center and Affiliate

Consolidating Statements of Changes in Net Assets (Deficit)

Year Ended June 30, 2012

	Medical Center	Foundation	Consolidated Total
Unrestricted net assets (deficit)			
Revenues in excess (deficiency) of expenses	$ (86,781)	$ (50,853)	$ (137,634)
Contributions for property and equipment	63,526	-	63,526
Change in unrestricted net assets (deficit)	(23,255)	(50,853)	(74,108)
Temporarily restricted net assets -			
Contributions for specific purposes	44,818	-	44,818
Change in net assets (deficit)	21,563	(50,853)	(29,290)
Net assets (deficit) at beginning	(1,567,804)	308,175	(1,259,629)
Net assets (deficit) at end	$ (1,546,241)	$ 257,322	$ (1,288,919)

Cooperstown Medical Center and Affiliate

Consolidating Statements of Changes in Net Assets (Continued)

Year Ended June 30, 2011

	Medical Center	Foundation	Consolidated Total
Unrestricted net assets (deficit)			
Revenues in excess (deficiency) of expenses	$ (820,569)	$ 35,227	$ (785,342)
Change in net assets (deficit)	(820,569)	35,227	(785,342)
Net assets (deficit) at beginning	(747,235)	272,948	(474,287)
Net assets (deficit) at end	$ (1,567,804)	$ 308,175	$ (1,259,629)